



# INTERNAL AUDIT CONTROLS EVALUATION CODE ENFORCEMENT AUDIT

August 16, 2004

Roanoke City Council Audit Committee  
Roanoke, Virginia

We have completed our audit of Code Enforcement. Our audit work was performed in accordance with government auditing standards.

## **BACKGROUND**

The Code Enforcement Department is responsible for enforcing all of the City's nuisance codes, the building maintenance code, zoning enforcement, and the rental inspection program. Nuisance codes include weeds and trash abatement, inoperable motor vehicles, and the graffiti programs. Effective code enforcement promotes the City's quality of life by providing a clean, attractive, safe, and healthy environment. The department's operations are mandated by City Code.

Article II of City Code Section 33 describes weed and trash abatement. Weeds growing or trash lying on any parcel (with the exception of certain properties in excess of one acre) are considered a public nuisance. The code section makes it unlawful to cause or allow a public nuisance with respect to any parcel. It is the duty of the owner to cut, remove, or destroy any and all weeds and to remove trash on his parcel. Violation of this provision is a Class 4 misdemeanor. The City Manager is responsible for notifying the property owner of a public nuisance and demanding abatement of the nuisance within seven (7) days of mailing the notice. If the owner fails to abate the nuisance within seven (7) days, the City will abate or complete the abatement of the public nuisance. The City will keep an account of the cost of abating public nuisances and report the amount to the City Clerk and the Manager of Billings and Collections including a \$100 administrative fee to be assessed against the owner, reasonable charges for equipment and interest, and a minimum of two hours labor. The owner is allowed fourteen (14) days to appeal the amount of the assessment to the City Manager. The Director of Finance may waive liens imposed pursuant to this section when doing so will facilitate the sale of the property and encourage its productive reuse.

Article IV of City Code Section 20 describes the keeping of inoperable motor vehicles. This code section defines inoperable vehicles as any motor vehicle, trailer, or semi-trailer which is not in operating condition; or does not display valid license plates or does not display an inspection decal that is valid (not expired for more than 60 days). The code section prohibits any individual from keeping an inoperable vehicle that is not fully enclosed in a building or otherwise screened from view (although not more than one vehicle can be kept outside provided it is screened from view). The owner is required to remove any inoperable vehicle within seven (7) days after receiving written

notice of the violation. If an owner then fails to remove the inoperable vehicle, the city removes the vehicle from the property and takes it to an impoundment lot for storage or disposal. Within five (5) business days, the City must give the owner notice that the owner has the right to reclaim the vehicle within fourteen (14) days after notice. If the owner does not reclaim the vehicle by paying the cost to remove the vehicle, the City can dispose of the vehicle at public auction. The City shall use the proceeds of the auction to refund itself for the cost of towing, preserving, auctioning, and storing the vehicle. Any remainder shall be held for the owner for ninety (90) days, and then deposited with the City Treasurer. Any person can appeal a decision of the City Manager within seven (7) calendar days with written notice.

Article I of City Code Section 7 describes the removal, repair, or securement of structures and the recovery of costs by the City. The City Manager may require owners of property to repair or secure any building, wall, or other structure which may endanger the public health or safety of residents. The City may remove, repair, or secure any structure after a reasonable notice has been given to the property owner (30 days following written notice or publication in a local newspaper). The cost and expenses for the removal, repair, or securement of a structure by the City shall be chargeable to the property owner. If unpaid, a lien can be taken against the property and enforced as provided by law. The Director of Finance can waive liens imposed pursuant to this section whenever doing so will facilitate the sale of the property and encourage its productive reuse. This code section also gives code officials the responsibility for inspecting and enforcing the provisions of the building code relating to the maintenance and repair of existing structures.

Article II of City Code Section 7 defines the property maintenance code standards and provides for a New Construction Code Board of Appeals. This board has the jurisdiction to consider appeals to any portion of the building code known as the International Property Maintenance Code. The board consists of five (5) members and two (2) alternates appointed by City Council.

Article III of City Code Section 7 describes the Rental Certificate of Compliance program. The purpose of this code is to ensure that residential rental housing remains safe and fit for human habitation. The section also helps prevent property deterioration and neighborhood blight. The code is applicable to rental units in areas designated as conservation and rehabilitation districts. If a dwelling fails to comply with the building regulations, a written list of violations and a time frame to correct the violations will be provided to the property owner. A re-inspection of the dwelling must be ordered once the corrections have been made. Upon passing an inspection, a certificate of compliance will be issued to the property owner, and will be valid for a period of two years (or until an occupant at the time of expiration vacates the dwelling). There is a four year exemption for new buildings or significantly rehabilitated buildings (that render the building equivalent to new construction) that receive a certificate of compliance. A certificate of exemption can be issued to a rental complex if no less than half the number of dwelling units, up to a maximum of ten (10), in the complex have been randomly selected, inspected, and approved; and no violations of the code exist within the dwelling units inspected. A temporary waiver of compliance can be issued in

instances in which the work to bring the dwelling into compliance can be made with the unit occupied, and within the timeframe of the temporary waiver of compliance (not more than six months). Fees for the rental inspection program are set by City Council and published in the Fee Compendium. A person aggrieved by a decision related to compliance has the right to appeal within twenty-one (21) days of a decision. Within five (5) days of an appeal, a code official shall meet with the owner to discuss the appeal. The building maintenance code official then has five (5) days to issue a decision after the meeting. Any person aggrieved by the determination of the building maintenance code official can appeal the decision in accordance with the provisions of the property maintenance code.

To fulfill the code enforcement duties, fourteen (14) full-time employees are employed in the department. The Code Enforcement Department is comprised of a Code Compliance Coordinator, nine (9) Building/Zoning Inspectors, a Weed Program Coordinator, a seasonal Weed Inspector, and two administrative staff. The Code Enforcement Department is part of Housing & Neighborhood services, which had an adopted budget of \$1,140,513 for FY 2004. Of that amount, \$831,827 was budgeted for personnel expenses and \$157,899 was budgeted for operating expenses.

### **PURPOSE**

The purpose of this audit was limited to the following objectives:

- Evaluate the controls in place to ensure that citizen complaints related to building maintenance issues and nuisance codes are addressed.
- Evaluate the controls in place to ensure that the rental certificate program is proactively administered.
- Evaluate the controls in place to ensure that fees are properly charged for services provided by code enforcement, including abatement of violations.

### **SCOPE**

Our audit focused on the system of internal controls in place as of March 31, 2004. We tested events occurring between July 1, 2003 and March 31, 2004.

### **METHODOLOGY**

We gained an understanding of code enforcement activities by interviewing staff, observing the operations of the department, and reviewing established operating procedures within the department. We documented our understanding of the system of controls in place with process flow charts. Based on this understanding, we identified the risks and the associated controls over code enforcement activities. We then developed a test program that included a combination of controls and substantive testing. Our test program included reviewing documentation supporting cited inoperable vehicles. We also reviewed documentation supporting weed and trash violations. We verified that property owners were properly billed when the City had to abate their properties. We reviewed documentation supporting building maintenance

inspections and rental inspections. We physically observed properties to verify that issues were closed as indicated on code enforcement documentation. We verified that issues in Service 6.0 (citizen complaint tracking) were proactively addressed by the department in a timely manner.

## **RESULTS**

Our test work indicated that complaints made for building maintenance issues and nuisance codes were addressed by Code Enforcement in a timely manner. We noted that items outstanding for long periods of time had reasonable explanations, and the department periodically followed up on the items until resolved. Documentation was in place to support building maintenance, rental inspection, and nuisance code abatements. We noted that code enforcement had properly billed the property owners for instances where fees were required to be charged.

No significant weaknesses in the system of internal controls were noted. We identified some opportunities for management to enhance the system of internal controls, which have been communicated in a memorandum to management.

## **CONCLUSION**

Based on the results of our audit work, we believe that controls and procedures are in place to ensure citizen complaints for code enforcement issues are addressed in a timely manner. It also appears that the rental certificate program is proactively administered, and that when required, proper fees are assessed for services provided.

We would like to thank the management and staff of the Department of Housing and Neighborhoods for their assistance throughout the audit.

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Drew Harmon, CPA, CIA  
Municipal Auditor

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Michael J. Tuck, CPA, CGAP  
Assistant Municipal Auditor